

[13th May 1954]

V.—GOVERNMENT BILLS.

(1) THE MADRAS LAND REVENUE (SURCHARGE) BILL, 1954
(L.A. BILL NO. 18 OF 1954).

11-20 a.m. THE HON. SRI M. A. MANICKAVELU NAICKER :—" Mr. Chairman, Sir, I beg to move—

' That the Madras Land Revenue (Surcharge) Bill^a, 1954 (L.A. Bill No. 18 of 1954), as passed by the Assembly, be taken into consideration.' "

MR. CHAIRMAN :—" Motion moved—

' That the Madras Land Revenue (Surcharge) Bill, 1954 (L.A. Bill No. 18 of 1954), as passed by the Assembly, be taken into consideration.' "

* SRI M. P. GOVINDA MENON :—" Mr. Chairman, Sir, I oppose this Bill on two grounds. Apart from the merits of the Bill before the House, I am against any new taxation being imposed by this State. I have already advanced my reasons during the discussion of the Budget in this House. My point is that before the Government come forward with a proposal for any new additional taxation to be imposed upon the citizens of this State they have to discharge a primary and essential duty which they have failed to discharge for the last so many years. I am not against the imposition of any new taxes for the purpose of carrying on the administration of our State as a Welfare State. But my complaint is that before any new tax is sought to be levied, even though it be for a good reason, the Government have to consider whether they could not put through an effective retrenchment programme and cut down expenditure. It is a top-heavy administration which we have inherited from the foreign Government and which we are continuing to have without any change for the last six or seven years.

" My first objection is that this Government have no right to consider fresh taxation proposals. Before doing so, they should consider the desirability of effecting suitable retrenchment, which should certainly not be in the lower ranks. Mr. Chairman, we know what happens whenever any retrenchment is made. Retrenchment is always effected in the lower grades and a few *thotties* or a few chaprassis are retrenched and the upper grades are not touched at all. We have got a top-heavy administration and there are very many undesirable and unnecessary posts in the State. These posts must be abolished and there must be retrenchment in all the departments. For example, in spite of the partition of the composite State and the carving out of the Andhra State from the old Madras State, has there been any retrenchment worth mentioning? The administration is being carried on in the same old manner and the same officials are there, although here and there a few changes have been made. As a Member of the Legislature, I have been pressing for the abolition of the Board of Revenue. It is an unnecessary body and is nothing but the

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fifth wheel in the coach. This Government have not yet attempted to think about the advisability of abolishing the Board of Revenue and other unnecessary posts. This is my first objection.

“ My second objection, with great respect to the Hon. the Minister in charge of the Bill, is that this measure for the imposition of a surcharge on land revenue is a dishonest one. I am compelled to use this adjective. The principle underlying this Bill is no doubt a good one, namely, that the Government are asking those who are in a better position to make a contribution to the revenues of the Government. I also concede that there must not be a uniform rate of taxation on land for all classes of people. The present land revenue policy is defective in this respect. That is a person who owns 5 acres of land and a person owning a thousand or two thousand acres of land are assessed to land revenue at the same rate. There is no difference in the rate. If the principle that those who are in a better position should pay more is to be accepted, may I ask with great respect to the Treasury Bench, why they have not come forward with an honest measure for imposing an agricultural income-tax which is the only thing which would solve this problem? If the Government want to assess and tax the people according to their capacity and according to the income which they derive from the land, they should have come forward with a tax on agricultural income. I think the sister State of Travancore-Cochin has got a similar measure. That State Government are having an Agricultural Income Tax. Why should not this Government also try to have an agricultural income-tax instead of a surcharge on land revenue? There is a great advantage in having an agricultural income-tax in that the lower strata will be exempted. Even in regard to the ordinary income-tax, people with an annual income below Rs. 3,600 are not taxed. Municipalities also exempt certain lower income groups from the levy of profession tax. Why should not the Government adopt a similar principle in regard to the persons who are engaged in agriculture and who really contribute to the food requirements of the State and who are really working for the welfare of the country? Why should not the smaller classes of land owners be exempted? Why should not there be a graded system of land tax according to the capacity of the individual? Of course, I welcome the Land Revenue Surcharge Bill to the extent that it has introduced a graded system. But my complaint is that instead of this surcharge the Government could have come forward with proposals for an agricultural income-tax.

“ As far as the district of Malabar is concerned, we had some difficulties in regard to this surcharge on land revenue on account of the peculiar land tenure system obtaining there. On a previous occasion, when a similar surcharge was considered, the difficulties of Malabar were pressed before the Select Committee which accepted them. I am really glad that the difficulties of Malabar have been practically solved by the Government accepting the small amendment moved by my hon. Friend, Sri M. Narayana

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Kurup, in the other House. To this extent also I welcome the Bill but my general objections to this kind of taxation remain, namely, that first of all the Government must effect retrenchment and secondly there must be a scientific system of Agricultural Income Tax. With these few words, I am obliged to oppose this measure."

* SRI G. KRISHNAMURTHI :—" Mr. Chairman, Sir, I beg to oppose this Bill. There seems to be no end to the enhancement of taxation by the Government. Our Government have been collecting a revenue of nearly Rs. 45 crores. Prior to the introduction of the Sales Tax we had the land tax as our *Kamadhenu*. But, after the appearance of the Sales Tax, this *Kamadhenu* of land tax began to kick and it also got famished. There were land disputes between the landowners and the tenants and the tendency of the Government has rightly been to support the tenant and I have been, in fact, supporting this tendency. Now, if the Government really want more benefits to flow to the tenants, they must make it convenient for the landlords to give such benefits to the tenants without grudging. The Government should see that no further impediments are placed in the way of the landlords and that they are not taxed further. But, I do not know how the Government thought it fit to just enhance the tax on land. Now, in the case of a person who is a landlord paying Rs. 500 as kist, it may only be a question of ownership of about 20 acres of wet lands. In our parts for about 20 acres of wet lands one will have to pay about Rs. 500 as kist. Do the Government think that a person who owns just over twenty acres of wet lands is rich enough just to come forward and pay the surcharge on land revenue especially when the Government have included in their Budget under Revenue Expenditure certain items which ought to go into the Capital account? If we survey last year's Budget, the Budget that was recently passed, we find that of the 200 odd Part II Schemes many of the items that ought to come under Capital Expenditure have been included under revenue expenditure. In fact, Capital expenditure is expenditure the benefit of which is to be enjoyed in the coming years by the next generation. Why should the present generation pay for the sake of those who are going to enjoy the fruits of such capital improvements in the future? It is something like the Government's policy of making the pavement dwellers go without houses and making the disabled beggars go without food and die. Now, it is the duty of the Government to see that the disabled beggars are given free rations and the people at present dwelling on the pavements are provided with houses. Then only the Government should see whether any surplus is available from the revenue account for capital expenditure. Even then, I do not think the financial provisions allow such a thing.

" If we take into consideration the 200 new schemes brought in by the Government in the last Budget, we will find that the deficit that has been given as one of the reasons for bringing in

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these new taxation measures is after all only 58 lakhs of rupees. If only we take off the items of capital expenditure which have been debited to the revenue account the deficit would be more than covered. I therefore do not see any reason why the Government think of bringing in these new legislative measures for additional taxation. Now we find that out of a revenue of Rs. 45 crores we have been spending a large amount on civil works. Of course, during the Rajaji Ministry the amount was reduced from Rs. 5½ crores to Rs. 3 crores and odd. That was done in the 1954-55 Budget. Previously, we were spending Rs. 9 crores and odd on the composite State and that was reduced to Rs. 5½ crores. Even now, out of the Rs. 3 crores allotted for civil works, we have to spend Rs. 1.77 crores on repairs to roads and repairs to buildings. There is no provision for new buildings. Is it advisable on the part of the Government to spend Rs. 1.77 crores on road works alone, especially in 1954-55 when we find that many people are without houses and that many disabled beggars are dying without food and so on? So, there must be a radical change in the preparation of the Budget, and the sooner we move ourselves out of the routine rut and various heads in the Budgetary provision, the better it would be for us. It is time for us to chalk out original programmes suited to the indigenous conditions and the genius of the country especially after the attainment of Independence. So, if the Budget had been recast in such a way or even if the Budgetary provisions are recast, as they lie within the powers of the Legislature, this Bill could have been avoided as also the additional taxation measures proposed under the various other Bills that are to come before this House. So I would like to submit to hon. Members of this House that this Bill is an unwanted Bill, that this Bill has been brought with a view to make up a deficit which could have been avoided by careful planning of the Budget and that this Bill is going to hit hard the landlords. If really we want the landlords to satisfy the tenants by giving effect to the various awards that are being granted rightly from time to time, we must see that no further taxation is put on the landlords. If that is the case and if we fully realise that India is an agricultural country, that we have to depend upon the landlords for increased production and that increased production can only go to increase the wealth of the country, we will see that it is a great mistake on our part to impose further taxation on the landlords. The landlords were already affected by some of the measures that had been brought up by the Government. But, even then, we fully sympathized with the Government because we thought that the man who milked the cow should not have troubles and that he should be encouraged. That is why we supported the Government in bringing forward measures that gave some relief to the tenants. I request the Government to see that they do not bring in any further measures to oppress the landlords. Instead they must give them facilities to part with complete satisfaction the benefits that are conferred on the tenants—after all these rights are taken away.

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from the landlords. If the Government take into consideration these points, they will come to the conclusion that any further taxation on landlords is not advisable.

"Then, as was pointed out by my colleague Sri M. P. Govinda Menon, there is no distinction made between landlords who own 20 acres and those who own 2,000 acres. A flat rate of surcharge has been laid down. There must be a slab system and the rate should rise according to the various levels. Now, a man paying a kist of Rs. 500 should own nearly 20 acres. He is not on a par with a man owning 2,000 acres. The Government would do well to consider whether a slab system would not be advisable in the case of landlords who own large extents of land.

"On the whole, the principle of this Bill is not sound. The landlords should not be taxed further in the present day conditions when the Government have committed themselves to the conferment of more benefits on the tenants and when the Opposition has been sympathetic towards the Government in most of the cases just to encourage the tenant. This Bill is quite untimely, uncalled for and it will hit the landlords hard."

* SRI K. BALASUBRAMANYA AYYAR :—"Mr. Chairman, Sir, this Bill raises many questions of importance and I implore all hon. Members of this House to think calmly over the various aspects. It is clear from the Statement of Objects and Reasons that the Government do not lay so much stress upon the revenue that they would get. That is very clear and the Hon. the Mover of the Bill, in the other House, has made it clear that the total revenue as a result of levying this surcharge will come to Rs. 7 lakhs. The deficit according to the Budget is Rs. 58 lakhs. Therefore, this sum of Rs. 7 lakhs does not very much matter at all. That is why the Government give the other reason, namely, that they want an equitable distribution of taxation and that they want to see that the richer classes are mulcted. That is the chief reason given in support of the Bill. Does that principle apply to the ryotwari assessment? I am on that and I want to speak a few words. The speaker who preceded me was talking about the landlords. I do not think that the ryotwari proprietor is a landlord at all. Under the ryotwari system the landlord is the Government. This has been well described in all books on the ryotwari tenures. All the people are peasant proprietors. They range from a person having one acre only to persons having more than 1,000 acres. Very few persons are having more than 1,000 acres. According to the Subramaniam Committee Report, pattadars paying more than Rs. 1,000 will come to less than 1000. That is a very small number. Therefore, let not the Government make a fetish that they have adopted the Communist principle of hitting only the richer classes.

"Now, let us see whether there could be a surcharge on land revenue under present day conditions. Land revenue is fixed taking into account various factors. There were periodical resettlements—fortunately for us periodical resettlements have been

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given up. The rates are fixed according to the classification of the soil, the yield and so on and the theory is that we can go up to half the nett. That is the maximum limit that has been fixed, but as a matter of fact, now the Government charge from 25 to 33-1/3rd per cent. Seasonal variations and other factors are also taken into account. Unfortunately for the last seven years we were having no rains, and nobody could even think of a surcharge. The Government could only think of remission of revenue and not levy of surcharge. It was only last year that we had some rains and immediately the Government catch hold of this simple fact to levy a surcharge on land revenue. On the other hand, has the situation improved to any extent now? The Government would say not a word about it. I am perfectly sure that the Hon. Minister, who always speaks facts correctly, will agree with me when I say that the situation has not improved. The cost of cultivation has increased. The cost of all materials necessary for cultivation purposes has increased. So also the cost of cattle has increased twofold. If the proprietor has got larger extents of land, the greater is his commitment in regard to the cost of cultivation. As one hon. Member rightly pointed out, the greater the extent of land the lesser would be the yield. A man may have very fertile lands which will yield more. But if he has got a very large extent of lands—some of them may be in low lying areas and some of them may be of second *taram* or third *taram*—then the average yield would be much less. Thus, land revenue is fixed according to the unit per acre. This is not like income tax at all. So many factors are taken into consideration in fixing land revenue and a certain amount is fixed for each acre of land. We can go up to half of the nett yield. The Government have got ample provision for increasing it up to half of the nett if only circumstances help them to do so and those circumstances also are in the control of both Government and God. The seasonal conditions being the same, they can very well regulate the prices, the market, the various transport facilities and so on. If the Government do all those things, the yield will become much greater. It is for the Government who have got greater responsibility in such a matter to do all these things instead of merely levying a surcharge. I can understand this surcharge if they want really to make up the deficit. I can understand if they are taxing the richer classes. That is not so. There is no question of richer classes at all in this particular matter. They are not trading. They are not making any profits out of any advantages of exchange and all those speculative considerations and so on. Taking all these difficulties into consideration, the yield is there and they take their particular portion. Why should there be any surcharge on it, I cannot understand. The mirasdar and ryotwari proprietor cannot bear it. As the hon. Member Sri Ramaswami Reddiar has thrice mentioned, the peasant proprietors are unable to pay even their land revenue at the present time. Why should we think that they belong to the richer class? I do not call these ryotwari proprietors as richer class people. All the money they get they put again on the land except for the portion which they use for their own family

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purposes. It is a thing which is going with the land and again coming with the land. A mirasdar may be going in a motor car in Madras streets and that may be only for the purpose of meeting some of the Hon. Ministers and asking them for some help. One hon. Member mentioned that they were going to the races, and so on. But a mirasdar as such who is primarily relying upon land cannot spend on any of these matters. Whatever money he has, except for a portion of it for his family expenses, he will have to spend on the land itself. There are difficulties and various conditions and therefore, if he gets some money he may have it for the purpose of utilising it when bad seasonal conditions prevail. Therefore, it is wrong on principle to levy a surcharge. Government must have got a true picture of the situation and they should not be carried away by certain slogans which do not apply to the system of land revenue.

“ We have got some general notions about equity and distribution of wealth between rich and poor. I do not argue against those principles at all. But let us see that these principles are applied to the land revenue system of our country and the land problems as they are at present. Are we sure that the seasonal conditions will be much better in the next year? Suppose, the seasonal conditions are bad, will the surcharge be reduced? Will the Government reduce the land revenue assessment? No. Unfortunately, the periodical revision of assessments has been stopped. That is what I understand. The periodical revision of assessments having been stopped, if the prices go down, there is no way out of it at all. That is the difficulty. The periodical settlement having been stopped, the fluctuations in prices can never be taken into consideration for the purpose of revising the assessments of land revenue. Under such circumstances, to add a surcharge on land revenue makes it a very difficult thing. Why did the Government stop the periodical settlement? Because at that time they thought that they would be helping the landlords. I think that periodical resettlement will be the proper thing and will be helpful to all the people. But it is not for me to decide. I have not got the whole picture of the situation before me. I am not here to advise the Government on this particular matter. I am perfectly sure that the mirasdar cannot bear this land revenue surcharge which the Government propose to levy, not for the purpose of replenishing their treasury, but for the purpose of advancing certain principles of equity and distribution of wealth and so on. I emphatically say that these principles do not apply to our land revenue system. The Government are wrong in applying those principles and imposing further taxation on that ground and not on the ground of replenishing their Treasury. That may be a different consideration altogether, but those principles should not be applied to this particular matter, viz., land revenue.

“ It is stated in the Statement of Objects and Reasons that the rate of assessment is not higher in the case of the richer classes than in the case of the smaller peasants. The Government call

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them the richer classes as if they have no duties and obligations. They are helping in the food production of the country. Without the mirasdars of the Tanjore district, the whole of Tamil Nad will be in great difficulty. I am perfectly sure of that and, therefore it is, I should like to say, that this principle is wrong.

"I have got various other matters to say and I do not want to say them now. When I move my amendment, I shall speak about the water-cess and other matters. But as regards the main question whether there should be a surcharge or not, I think this is not the time for imposing a surcharge, and a surcharge on land revenue under the present circumstances is not at all appropriate, especially to achieve the object that has been set forth in the Statement of Objects and Reasons."

* SRI K. BHASHYAM :—"Sir, so much has been said about the principle of the Bill and the undesirability of levying a surcharge upon land revenue. In olden days people were fighting for permanent settlement of land revenue. In those days they were against periodical revisions of land revenue. We have been saying all these days that there must be permanent settlement of land revenue. But those days are gone now. We have now come to the days, when, as a matter of fact, a revision must take place in respect of all sorts of exactions from people because there is a difference between those days and these days. In those days there was not the Welfare State. But, now there is the Welfare State, which is for the welfare of the people concerned. If we want the general welfare of the people, we must pay for it and, therefore, it is necessary to get money from all sources. From this point of view I think it is not correct to state that there ought not to be a surcharge on land revenue.

"But, my objection, however, is something different from this. This is not a scientific taxation. As pointed out by some speakers who preceded me, agricultural income-tax is more scientific and more equitable, and it is also possible to distribute the burden of the tax according to the income that is derived from the land. That must be the object with which we must start when we really levy a surcharge upon the land revenue. I believe that the Government propose levying the surcharge not because they want to make it a permanent measure on the statute book, but because this is only a first step in the matter of taking up the question of agricultural income tax. I should even go further and say that the policy of land tax itself should be revised completely. Though it may not be quite relevant, I think I should suggest to the Government that there must be a basic tax, e.g., Rs. 5 for wet land and Rs. 3 for dry land, and the tax must be levied on the income derived from the land, whether it is a commercial crop, or paddy or some other crop. Thus we will exactly know what the man has got out of the land and how much we can exact from him. Therefore, Sir, though land revenue surcharge is not quite so scientific as agricultural income-tax, I should like to point out that the Government have got in view the agricultural income-tax to be brought in on a

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future occasion and this is only a beginning for the purpose of getting into a structure of agricultural income-tax very soon, because the Hon. the Revenue Minister has stated that agricultural income-tax is not possible now, but only later.

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"I should like to point out one important thing in this connexion. It may be an argument from this side, but still I should like to point out this. Agriculture is an industry like any other industry. Agriculturists want capital and persons having large capital can really produce more food than those having small capital. If this Bill is passed into law, it is quite probable that persons holding joint pattas and those whose property has not been divided will so divide the properties among themselves that they do not pay the surcharge contemplated in this Bill. Also this Bill will result in less production of food. As this Bill will have the effect of fragmentation of holdings, I am opposed to this Bill. A person would like to free himself from the joint patta and take a single patta for himself. Persons paying revenue exceeding five hundred rupees will divide the property among their sons and others in such a way that they are not made to pay any surcharge. Therefore, I believe that the greater objection is not to the principle as such. This Bill will lead to the fragmentation of the land and that will in turn lead to less production than we can imagine at present. We do not know, Sir, how far and how long the Government will keep this Act in force, and whether they will not in the near future bring forward a more scientific system of taxation. We do not know whether the Government will introduce the agricultural income-tax and will introduce changes in the basic tax on land. (Interruption by Dr. V. K. John.) The hon. Member Dr. V. K. John always asks me whether I am not supporting the Government. I am one who takes the point as it is, and I make critical observations so that persons who hear them may be benefited by them. If the Government take the observation I make in the spirit in which I make it, and act upon it, well and good. If they do not, well and better.

"Sir, as to the Bill, there are certain anomalies which I wish to point out. After all this is a surcharge upon land revenue. Who are the persons liable to pay this surcharge, is the question. I would like the Government to pay attention to what I am going to say more from a lawyer's point of view. Difficulties will arise when the matter goes to Courts of law. I am not saying that the matter will go to a Court of law on the question of interpretation of any clause. But the matter may go to Court on the score that the Articles of the Constitution are offended. We are seeking to levy a surcharge upon land revenue paid and payable by a person to-day. What about the large number of acres of land that are held as inam? Even to-day, in spite of conversions of land into ryotwari tenure, there are large extents of land held under inam, and these inamdars do not pay any land tax, though they are assessed for the purpose of collecting cess, which they have to pay. What happens to this large extent of land held under inam? Are the Government going to

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exempt them from the levy of surcharge? Why are not these lands brought under the scope of this Bill? Sir, we are making a discrimination between land owners paying land revenue direct to the Government and persons who are paying only cess. They do not pay assessment for historical reasons. The point that I wish to urge upon the attention of the Government is whether this discriminatory treatment is not open to objection. There is another difficulty I feel in the incidence of this tax. Let us take Clause 3. For example, if A, B and C pay each separately Rs. 300 they will not have to pay surcharge. But if B and C pay more than Rs. 500 on a joint patta, each will have to pay surcharge. A person who has a single patta and pays Rs. 499 as land revenue is exempted from the levy of the surcharge. The inequity of the provisions of the Bill will be still more apparent if, as a matter of fact A, who has got a joint patta with B, has got to pay the surcharge. It may be that A holds only one-twentieth of the lands held by B, and his (A's) tax in respect of his holding is only Rs. 15. Though he is liable to pay Rs. 315 only to the Government as land revenue, still under the proposed Bill he will have to pay the surcharge on the land revenue, because he has a joint patta with B. There is this anomaly. A person who has a single patta, and who pays land revenue up to Rs. 499 is exempted from the operation of this Bill, but a person who has got to pay a revenue of Rs. 300 in respect of his own lands and, in respect of lands held in joint patta with another, Rs. 50 (though the other person has to pay Rs. 250 as land revenue) has to pay this surcharge. In this case we are assessing surcharge on a person because he happens to hold a joint patta with another, both, however, paying separately less than Rs. 500 as land revenue. The man who suffers from this anomaly is worse off than the man who pays Rs. 499 as land revenue on a single patta.

“ Then, Sir, what amount of surcharge is to be paid by the joint pattadar is the question. In Clause 2 it is stated, ‘ lands held ’ refers to the lands in respect of which a landholder is liable to pay land revenue. Sir, it is common knowledge that in respect of joint pattas land revenue is payable by all persons who have the joint patta. Therefore, a person who holds a joint patta with another is liable to pay land revenue for the whole of the lands, even if, for the land held by him, the amount of land revenue may be small, say, Rs. 15. But what happens in such a case is that, he is liable to pay all the tax on the lands held in joint patta, say, Rs. 500. That is what it comes to. A has to pay in respect of his lands on single patta Rs. 300, and A and B have to pay Rs. 300 in respect of the lands held by them in joint patta. Now, as per this Bill, A is liable to pay surcharge on Rs. 600. Is that what is intended? I do not think so. What is stated here is really difficult to understand. In Clause 5 (1) power is given to the Tahsildar to call for information in regard to the total extent of the lands held by the landholder in the State and the land revenue payable in respect thereof. The word is ‘ payable ’ and not ‘ liable ’. Information is not asked as to how much of land revenue he is ‘ liable ’ to pay, but how much land revenue is ‘ payable ’ by him. The landholder

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may be liable to pay only Rs. 15 in respect of his lands held in joint patta, but the whole land revenue in respect of the joint patta may be recovered from him. That is the point. (Interruption). Therefore, I say that this Bill is full of ambiguities and inequities. On the Constitutional issue, neither the Hon. the Revenue Minister nor myself can say what the Courts will say. We do not know whether the courts will say that a certain provision in the Bill is objectionable. As stated by me a question may be raised whether inamdars should be exempt from the operation of this Bill. There is discrimination between a landholder under ryotwari tenure who pays a land revenue of more than Rs. 500 and another who holds inam lands and who pays in respect of those lands only a cess. There is discrimination also in respect of persons paying more than Rs. 500 and others paying less than Rs. 500. I am criticising the provisions of the Bill only to make them better. The Hon. the Revenue Minister may think over the points raised by me and see whether the defects cannot be remedied. I would like to suggest to him that this matter may be discussed by a select committee so that the Bill may be free from legal objections."

SRI A. GAJAPATHY NAYAGAR :—"மன்றத் தலைவர் அவர்களே, சில அங்கத்தினர்களுக்குத் தமிழ் தெரியாவிட்டால் அதற்கு நான் பொறுப்பாளி அல்ல. தமிழ் நாட்டில் இருந்தும் அவர்களுக்குத் தமிழ் தெரியாவிட்டால் அந்தக் குறையை அவர்களே ஏற்றுக்கொள்ளவேண்டுமேயொழிய, நான் தமிழில் பேசுவதைப்பற்றி யாரும் குறைசூற முடியாது."

*** SRI M. P. GOVINDA MENON :—**"On a point of order, Sir. The hon. Member is saying that we are in Tamilnad. I am not in Tamilnad. This is not a Tamil State. I strongly protest against this statement of the hon. Member."

SRI S. NARSAPAYA :—"I too support the hon. Member Sri Govinda Menon in protesting against the statement made by the hon. Member Sri Gajapathi Nayagar that we are in Tamilnad."

12 noon. SRI A. GAJAPATHY NAYAGAR :—"இங்கே தமிழ் தெரியாத உறுப்பினர்கள் இருக்கலாம். ஆனால், இந்தத் தமிழ் நாட்டிலே இந்தத் தமிழ் அவையிலே நான் தமிழில் பேசுவதற்கு உரிமை இருப்பதால் பேசுகிறேன். சிலருக்குத் தமிழ் தெரியாவிட்டால் அது என் குற்றமல்ல. நான் தமிழில் பேசினால் தமிழ் தெரியாதவர்கள் குறை சொல்வதைப்போலவே, மலபாரில் இருக்கக்கூடியவர்கள் மலையாளத்தில் பேசும்போதும், கன்னடப் பகுதியிலிருப்பவர்கள் கன்னடத்தில் பேசும்போதும் இந்தக் கஷ்டம் தமிழர்களுக்கு இருக்கத்தான் செய்கிறது. ஆகையால், இந்தக் குறை எங்கும் இருக்கிறது, இங்கே மாதிரம் அந்தக் குறை இல்லை என்று அவர்களுக்குத் தெரிவித்துக் கொள்ளுகிறேன். இதைத் தமிழ்நாடு என்று நான் சொல்லமுடியும். இப்பொழுது சபைமுன் இருக்கும் விஷயத்திற்குவருவோம்."

"நில வருமானத்திற்கு என் இப்பொழுது அதிக வரி போடவேண்டும்? நமது ராஜ்ய வரவு செலவுத் திட்டத்தில் பற்றாக்குறை ஏற்பட்டிருக்கிறது. அந்தப் பற்றாக்குறையை எப்படி நாம் சரிக்கட்ட முடியும்? என்று நண்பர் ஒருவர் பேசும்போது, 'அதிகப்படியாக இருக்கும் சர்க்கார் அதிகாரிகளின் எண்ணிக்கையைக் குறைப்பதன் மூலம் செலவைக் குறைக்கலாம்' என்று கதறினர். ஆனால், அதுவும் முடியவில்லை. வேறு வழி என்ன இருக்கிற தென்று பார்த்தால், மக்களின் மீது வரி போடலாம். இதுவரை ஏழை மக்கள் மீதே மேலும் மேலும் வரியைப் போட்டு நசுக்கி வந்தோம்."

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இப்பொழுது போட உத்தேசித்திருப்பது ஒரு சிறு வரியாகும். பெரும் நிலச்சுவான்தார்களுக்குத் தங்கள் நிலத்திலிருந்து அடையக்கூடிய அதிக வருமானத்தில் கொஞ்சம் சர்க்காருக்குக் கொடுக்கும்படி ஒரு சிறு வரியைப் போடுகின்றோம். இதில் என்ன குறைபாடு இருக்கமுடியும்? பெரும் நிலச்சுவான்தார்களுக்கு என்னென்ன சலுகைகள் இருக்கின்றன என்பதை உலகம் அறியும். அவர்கள் எங்கே போனாலும் பணம் வரும். விவசாயக் காரியாலங்களுக்குச் சென்றால் அவர்கள் கேட்டவுடனே விவசாயத்திற்கு வேண்டிய உரம் முதலியன கிடைத்துவிடும் அவர்கள் எல்லா சலுகைகளையும் அடைந்து நிலத்தைச் சாகுபடி செய்கிறார்கள். பெரும் நிலச்சுவான்தார்கள் சாகுபடி செய்யக்கூடிய நிலங்களிலிருந்து ஒரு ஏக்கராவுக்கு எவ்வளவு வருமானம் கிடைக்கும், ஏழை விவசாயிகள் சாகுபடி செய்தால் ஏக்கராவுக்கு எவ்வளவு வருமானம் கிடைக்கும், என்பதைப் பார்க்கும்போது பணக்காரர்கள் ஏகா ஒன்றுக்கு அதிக வருமானத்தை அடைகிறார்கள். இதற்கு என்ன காரணம் என்று பார்த்தால் அறிவாளிகளும், பணக்காரர்களும், சலுகையுள்ளவர்களும் நவீன முறையில் விவசாயம் செய்து லாபம் அடைகிறார்கள். அப்படிப்பட்டவர்கள் ஒரு அளவு இந்த உபரி வரியை சர்க்காருக்குக் கொடுக்கவேண்டுமென்று சொன்னால், அது ஏதோ பணக்காரர்கள் மீது மட்டுமே போடப்படும் வரி என்று சிலர் பேசுவதைக் கேட்க நன்றாக இல்லை. நம் நாட்டுக்காக ஏன் இந்த வரியைக் கொடுக்கக்கூடாது?

“எனது நண்பர் கனம் அங்கத்தினர் ஸ்ரீ கே. பாஷ்யம் அவர்கள் ‘Payable’ என்றும் ‘Liable’ என்றும் பேசினார். இந்த மாதிரி நில வரியை அடிப்படையாகக்கொண்டு அதன் மீது உபரி வரி விதிப்பது ஒரு விஷயத்தில் ரொம்ப நல்லதாக இருக்கிறது. நில வருமான மந்திரியை ஒரு தடவை பார்த்து, ‘உங்களுடைய நிலத்திற்கு உங்களுக்கு தனிப் பட்டா இருக்கிறதா?’ என்று கேட்டேன். ‘இல்லை’ என்று அவர் பதில் சொன்னார். ‘நிலத்திற்கு எவ்வளவு வரி’ என்று கேட்டேன். ‘எனக்குத் தெரியாது’ என்றார்கள்.

“கூட்டுப் பட்டாவில் ரூ. 500-க்கு மேல் நிலவரி செலுத்துவோருக்கு உபரி வரி என்றால், இவரும் ரூ. 500-க்கு உபரி வரி கட்டவேண்டியதுதான். ஏதோ கர்ணம் மனது வைத்து பார்த்து வாங்கினால் உண்டு. நமது நாட்டை ஆண்டுவந்த ஆங்கில அதிகாரிகள் கூட்டுப்பட்டா முறையை வைத்து, மக்களை அடிமைப்படுத்தி வந்திருக்கிறார்கள். தனிப் பட்டா கிடையாது. பத்து பேர்களுக்கு கூட்டுப் பட்டா இருந்து அதைத் தனித்தனி பட்டாக்களாகச் செய்துதரவேண்டுமென்று கேட்டுக்கொண்டால் அவைகள் அளிக்கப்பட மாட்டாது.

“இந்த அரசியலாருக்கு இந்த நாட்டுக்கு எவ்வளவு வருமானம் வரவேண்டுமென்று தெரியுமா? கர்ணம் வசூலித்துக்கொடுத்ததுதான் தெரியும். எவ்வளவு வருமானம் கிடைத்தது என்பதை மட்டும் வைத்துக் கொண்டு, வரவுசெலவுத் திட்டத்தைத் தயாரிக்கமுடியுமே தவிர, நம் நாட்டுக்கு வரவேண்டிய வருமானம் எவ்வளவு என்பதை அறிய முடியாது. ஏன் அறிய முடியாது என்றால் தனிப்பட்டா கிடையாது. ரூ. 500 வர வேண்டிய இடத்தில் ரூ. 300-தான் கணக்கில் வைப்பது. ரூ. 300 வந்த கணக்கைப்பார்த்து வரிபோடுவது கூடாதென்று நில வருமான மந்திரிக்கு தெரிவித்துக்கொள்ளுகின்றேன். Payable, liable என்ற எந்த வார்த்தையைப் போட்டாலும் கொடுக்கவேண்டும். அந்த ஒரு காரணத்தை யொட்டியாவது ஒவ்வொரு கூட்டுப்பட்டாவையும் தனிப்பட்டவாக்கவேண்டும். அதற்காகவே நிலவருமான மந்திரி கொண்டுவந்திருக்கும் இந்த அதிக வரியை நான் வரவேற்கிறேன்.

“மேலும், நாம் இந்த பற்றாக்குறையைச் சரிக்கட்டுவதற்குச் செலவை எப்படிக் கவனமாகக் குறைக்கவேண்டுமென்று சொன்னாலும், ஏதோ சிறுசிறு இனங்களைக் குறைக்கலாம். ஏழைகளுக்கு இன்னும் வரி போடாமல், செல்வந்தர்களுக்குப் போடவேண்டும். கணக்குப் போட்டு பாருங்கள். ரூபாய்க்கு ஒரு அணுவுக்குமேல் இந்த வரி இருக்குமா? எவ்வளவோ செலவுகள் பண்ணும்போது, இந்தச் சின்ன வரியைக் கொடுக்க தயங்கு

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கிழர்கள். இந்த வரியினின்றும் வரும் வருமானம் குறைவு, வரி விகிதமும் குறைவு. ஆகவே, வரி கொடுக்கச் சக்தியுடையவர்கள் நாட்டுக்காக கொடுக்க வேண்டியதைக் கவலையில்லாமல் கொடுக்கவேண்டும். அதுவே நல்லது. அப்பொழுதுதான் நாட்டுக்கு அவர்கள் நல்லது செய்தவர்களாவார்கள் என்று சொல்லிக்கொண்டு நில வருமான மந்திரி அவர்கள் கொண்டு வந்திருக்கும் மசோதாவை நான் ஆதரித்து என்னுடைய வார்த்தையை முடித்துக் கொள்ளுகின்றேன்.”

* DR. V. K. JOHN :—“ Mr. Chairman, Sir, when the present Government was constituted I was expecting that all measures of taxation will be withdrawn and that no new taxation measuring will not be introduced in the Assembly and the Council. I thought that the present Chief Minister had one great advantage over the other Chief Ministers and other Ministers. He is not only with the people but of the people and he has lived a life of poverty and still continues to do so. I thought, therefore, that he would appreciate the fact that the people of this State had been impoverished by excessive taxation, both direct and indirect. If today there is impoverishment of the people, it is mainly due to the taxation imposed by the Government on the people from time to time. Unemployment, want of purchasing power, lack of production and the decrease in export and the increase in import into the State should all be ascribed to excessive taxation under the burden of which our people are now suffering. I thought when the new Ministry was constituted, they would turn a new leaf. But I am sorry to state that I am disappointed. Why is this taxation necessary? Have the Government first of all paid attention to the very heavy expenditure incurred by the Congress Government year after year? If only we look at the figures of expenditure, we will find that the expenditure has gone up by leaps and bounds. It is to meet that increase in expenditure that this Government are imposing fresh taxes. Why should not Government pay attention to this aspect of the matter and reduce their expenditure instead of imposing fresh taxes? I do not say that this Government are responsible for all that expenditure. It is perhaps an expenditure which they have inherited. But should not the present Government look into that aspect of the matter and see that they bring down the expenditure by at least a few crores of rupees? In the Budget speech of the Hon. the Finance Minister, figures were given about the expenditure incurred by the Government in the various departments. The expenditure on Police which was Rs. 1,60,00,000 in 1938-39 rose up to Rs. 2,98,00,000 in 1945-46. Then the expenditure jumped to Rs. 4 crores and before the partition of the State it was Rs. 7½ crores and odd. Has anybody investigated the reasons for the increase in expenditure? Is it because the Police people are paid many times their salary? No. The expenditure only has gone up and has gone up unnecessarily. So also is the case in regard to expenditure under ‘General Administration’. From Rs. 2 crores in 1938-39 it rose to Rs. 4 crores in 1945-46 and went up to Rs. 8 crores. I am now saying that attention should be concentrated on the reduction of expenditure and not on only

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increasing taxation to get more and more revenue. If only this Gov- 12-10
ernment which has Sri Kamaraj as its head, had concentrated P.m.
attention on the excessive expenditure incurred by this State, and
reduced it, there would have been no need for imposing this tax.
Ordinarily I would have said that a tax on the rich is a progressive
tax, and I would have supported a measure like this because it is the
man who is able to pay that is asked to bear the burden of the tax.
If we impose a tax just as the sales tax on the poor then it is
regressive taxation. Now I cannot support this taxation measure
because it is not based on any principle whatsoever. Is it a tax on
land? If it is so, a man having 500 acres is paying for 500 acres
and a man with one acre is paying for one acre. It is not a tax on
land. Is it a tax on income? No. It is not, because Government
do not enquire into the income of the man who holds the property.
He is not asked to pay a portion of his income. When clearly
analysed, one would see that this is not a tax at all. It is a penalty
for holding large extents of land. It is a very wrong penalty to
impose. Has this Government or this Legislature the power to
impose a penalty on the holding of land? We can have a tax on
holdings, that is, a tax on everybody in proportion to the acreage
he holds, and we can have a tax on the rich people based on their
income, but this surcharge is sheer penalty for holding land for
which the land revenue payable is more than Rs. 500. As I said
it is wrong to impose this surcharge, it is illogical and it is also
irrational. This Government ought not to have attempted to
adopt the principle of levying a penalty on large holdings to increase
their revenue. We also do not know what is the income which
the Government are going to get by this measure. It may be
anything between 2 lakhs and 4 lakhs of rupees only. Also, the
hon. Member, Sri K. Bhashyam, who always votes with the
Government but speaks against them when he criticises their
measures, said that the Bill will defeat its very object.

"I am also quite sure that there will be large scale transfers
of land so that the surcharge may be evaded. Coupled with the
Estate Duty, this Bill is only putting a premium on people trans-
ferring their lands, not to strangers or to members of the Govern-
ment or to the Government themselves, but to their own relatives
so that the surcharge may be evaded. Sir, I say any tendency to
evade taxation is an immoral tendency and we are encouraging
this immoral tendency by introducing measures like this. We
ought to have a rational tax structure on land. Land tax is not a
rational tax structure at all. If one holds movable property worth
lakhs of rupees, there is no tax upon it but if one holds some waste
lands, a tax has to be paid upon them. Time after time, people
have realised that land tax is an irrational tax and it should be
revised into one of a tax on agricultural income. What has this
Congress Government which has come to power in 1945 done about
it? Year after year the Government have been saying that they are
looking into the question of the land tax structure, and up till now
they have had no time and no leisure to do something by way of
rationalising the tax on land! I say the real fact is that if a tax

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on agricultural income is to be imposed the Government would not get even a quarter of the revenue from land which they are getting today. They do not want to lose it because their expenditure is colossal though they cannot go beyond all limits. They have already impoverished this State by various measures of taxation and this levy is adding one more item to the list. This surcharge ought to wait until there is rationalisation of the tax on land. There should not be any penalty on large holdings.

"While I would have certainly welcomed a measure of taxation which is not passed on to the poor as in the present measure, I am sorry that, in spite of the particular characteristics of this measure that it is only the richer people who will pay this surcharge, I must oppose and strongly oppose this Bill.

"Also, I find that there is no provision for an appeal. In all taxation measures there must be provision for appeal to an impartial tribunal. There is no provision in the Bill unless it be that one is made by an executive order. But, the Government are an executive body and there must be provision for appeal to a judicial or quasi-judicial body. Why should the Government be afraid of making such a provision, when they want to do justice to the people? It is only recently that the Government created an Appellate Tribunal for Sales Tax though the value of it has been whittled down by another recent legislative measures. The Government must always provide for an appellate judicial or quasi-judicial tribunal to go into questions of taxation if any party is aggrieved. The Government have not done so here. I am sorry, Sir, I have to oppose this measure although it is presumably a tax on the rich and not on the poor. I would suggest to the Government, as the hon. Member Sri K. Bhashyam has suggested, that they could go into the question of the structure of the tax on land and introduce something which is more rational instead of going about in this irrational manner. I must conclude by saying that I am very disappointed indeed that the present Ministry has embarked on this measure of taxation. I find that there are other Bills also which are more objectionable and on which also I shall speak when they come before the House."

* THE HON. SRI M. A. MANICKAVELU NAICKER :—"Mr. Chairman, Sir, I will begin by replying first to the hon. the acting Leader of the Opposition. The hon. the acting Leader of the Opposition said that the cost of administration was very high, it was mounting up every year, and without looking into the question of retrenchment, the Government came forward with fresh legislation to raise more revenue. Sir, I must tell him that a democratic set up of administration is a costly one and we have to pay the price for it. The days of one man's rule have gone for ever and we have to carry on under a democratic set up. I may also say that but for this democratic set up my hon. Friend, the acting Leader of the Opposition, would have no *locus standi* to speak so eloquently on this subject."

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DR. V. K. JOHN :—" The Hon. Minister is not quite clear."

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, I may say that it is because of this democratic set up that my hon. Friend, Dr. V. K. John, is able to stand for an election, get elected as a Member of this House and contribute so well to the debate though it be to my detriment."

DR. V. K. JOHN :—" Does this not apply to the Hon. Minister also? "

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" A democratic set up is common not only for the hon. the acting Leader of the Opposition, but for all functioning under it. If it is costly we cannot help it though it does not mean that we must be spending like spendthrifts. We must also be careful in husbanding our resources. We are trying to be as economical as possible.

" Another hon. Member said that if this was a measure intended to raise additional revenue in order to meet the deficit in the Budget, the deficit could very well have been made up by making necessary adjustments in the accounts. Sir, I do not want to repeat the arguments already put forth by my Hon. Colleague, the Minister for Finance, during the Budget debate. It was not possible to make these adjustments. Otherwise they would have been made then and there.

" Sir, the hon. Member, Sri M. P. Govinda Menon, and another asked, ' Why should not the Government have recourse to retrenchment? ' Well, Sir, it is easily said but to carry it out is very difficult. Still the Government have been trying now and then to effect some retrenchment. When the word ' retrenchment ' is pronounced, I am reminded of the question which I answered during the question-hour when my hon. Friend, Sri M. Ethirajulu, said that so many people had been retrenched. Therefore there is this difficulty also that if we want to retrench, many will be left starving. Many will be thrown out of employment, and there will be hunger strikes, starvation marches and so on. Retrenchment is not the only consideration and, circumscribed, as we are, by the aspect which I have just now mentioned, we cannot simply take the pen and say that ten Deputy Collectors and a hundred Tahsildars can be dispensed with. Probably my hon. Friend, Sri M. P. Govinda Menon ' may do so."

SRI M. P. GOVINDA MENON :—" Give the power to do so along with the pen! "

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Yes, there will be a collapse of the administration and we must be prepared for that also. Simply because we have brought forward this measure, it does not mean that we have lost sight of this aspect of retrenchment. It is there; we are thinking about it and we will be carrying it out whenever it is possible.

[Sri. M. A. Manickavelu Naicker] [13th May 1954]

"Then, Sir, the hon. Member, Sri M. P. Govinda Menon, has said that it is dishonest on my part to have brought forward this Bill instead of a Bill introducing Agricultural Income Tax. I think he used the word 'dishonest' in a loose sense and not with the connotation that this word sometimes carries with it."

SRI M. P. GOVINDA MENON:—"I used it in a legal sense."

12-20 P.M. * THE HON. SRI M. A. MANICKAVELU NAICKER:—
"Anyhow, there is nothing dishonest about this Bill and it is with the best of intentions that it has been brought forward. Now, the hon. Member wants that agricultural income tax should be introduced. We also considered this matter but we found that there were quite a number of difficulties in the way. In the first place, this Bill applies to the rural population, and there is the question of the villagers maintaining accounts. But it is said that since the exemption limit is very high, the landlords who are affected by this Bill will be big landlords and that most of them will be literate. To some extent I concede that. But the matter does not end there. It is not a question of maintaining accounts alone. There are a number of other factors. For instance, in assessing the income we have to take into account the cost of cultivation. That will lead to a number of difficulties. The cost of cultivation may differ from person to person and that will have to be assessed by the Revenue officials. There may not be a correct assessment. All these difficulties will crop up. Then we have to take into account the difference in soil, the irrigation facilities available and the price factor. The price of produce varies from place to place. In some places it is very high. All these factors will have to be taken into account by the Tahsildar or the Revenue Inspector and he will have to come to a certain conclusion. If the assessment is not proper, then my hon. Friend, the Deputy Leader of the Opposition, will say 'No, it is not properly done. The Executive staff are no good. We should have a Tribunal to decide these matters'. That is why the Government have brought forward this simple Bill. There would be no need to incur further expenditure for appointing anybody to collect this surcharge. Already we have got an efficient staff who are collecting land revenue and this surcharge will be collected in addition to that. Now, this Bill applies to landlords who are paying a land revenue exceeding rupees five hundred. In the original Bill which was introduced in the Assembly and which was referred to a Select Committee, the exemption limit was only Rs. 50. Now, we have raised this limit to Rs. 500. So this would not create any hardship. If a man who pays Rs. 10 is asked to pay Rs. 15, then it will create hardship. But if a man who is paying more than Rs. 500 is asked to pay a little more, there is sufficient margin for him to bear the burden. I think that people who use motor cars know that they do not feel the jerks and shocks on account of the shock absorbers. Similarly, the landlords will not also feel the jerk of a small

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increase in tax. This Bill is in the nature of a shock absorber, because the landlords can bear the tax. If we really wanted more revenue, we would have imposed this levy even on persons paying Rs. 50 or Rs. 100. In that case, we would be getting Rs. 40 or Rs. 50 lakhs. By levying this surcharge on land revenue assessments on bigger holdings, there is sufficient margin for the landowners to bear the burden, and this would also be equitably distributed. This levy will not touch any of the necessities of the landlords. It will affect only some of their luxuries. If they get rid of some of their luxuries, they will improve in their health and it would be good for them. So, in an indirect way, the Government will be helping the landlords to lead healthy lives.

"Then it was pointed out that this measure will lead to fragmentation of holdings. True it may lead to fragmentation to some extent, but not to an uneconomic extent. Hon. Members might be aware that the air is thick with reports of the proposal of the Central Government to fix ceilings on land holdings—not only in respect of future holdings but even on the existing ones. We are also getting a lot of literature on this subject. Without having recourse to law, this measure will work it out. If people want to divide, let them divide. It will be distributing the land, but it will be quite an economic holding. This Bill will achieve that object also.

"The hon. Member Sri Bhashyam asked 'What is the rationale in bringing forward such a measure? A large number of inamdars are left out of the scope of this Bill'. Yes, Sir, they are left out. But, if the hon. Member wants to rope them in, I will indent upon his legal acumen. As it is, if we want to include them also, we will have to pay a large amount of compensation to the tune of about Rs. 20 crores to these estate-holders for acquiring their lands. That is the difficulty in the way of bringing in legislation in respect of the particular inams. The hon. Member next referred to the hardship caused to the joint pattadars, particularly those paying Rs. 100 or Rs. 200 and said that simply because they happened to hold joint pattas they were called upon to pay this surcharge. I need not dilate upon this aspect now. When we take up the consideration of the Bill clause by clause, I shall deal with it. As far as possible, I have explained how under the present circumstances this is a very simple, quite a workable and quite an equitable Bill that the present times call for. Otherwise, we will have to do something radical. This is a House of Elders. I am sure hon. Members will understand the significance of the times and help me in getting through this legislation. I wish that the hon. Member Sri K. Balasubramanya Ayyar was in the distinguished visitors' gallery in the Assembly. It was quite a hard job for me to explain to the Members of the other House why I had not lowered the exemption level. In spite of that, hon. Members go on criticising me. I commend this Bill to this House."

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MR. CHAIRMAN :—“ The question is—

‘ That the Madras Land Revenue (Surcharge) Bill, 1954 (L.A. Bill No. 18 of 1954), as passed by the Assembly, be taken into consideration.’ ”

The motion was carried.

MR. CHAIRMAN :—“ We shall now take up the clause by clause consideration of the Bill ”.

Clause 2.

MR. CHAIRMAN :—“ The motion is—

‘ That clause 2 do stand part of the Bill ’.

* SRI K. BALASUBRAMANYA AYYAR :—“ Mr. Chairman, Sir, I beg to move the amendment—if may not be correct to call it an amendment but it is only a recommendation—standing in my name, namely,—

‘ In clause 2, item (c), for the word “ includes ”, substitute the words “ does not include ” and for the words “ but does not include ”, substitute the word “ or ”.

Since this is a Money Bill, it should not be called an amendment but should be called only as a recommendation. My point is that water-cess should not be included in the term ‘ land revenue ’. For that purpose, I think that the wording of the section should be changed so as to read ‘ land revenue means public revenue due on land but does not include water-cess payable to the Government for water supplied or used for the irrigation of land or any other cess ’. So far as water-cess is concerned, as we all know, in regard to classified wet lands, the Government undertake to supply water. So it is part of the land revenue. But so far as the unauthorized use of water is concerned, the Government impose penal rates and that is also a water rate. As a matter of fact, the Government are collecting ten times the usual rate as the penal rate. Unfortunately, this penal rate is also sought to be included under the term ‘ water-cess payable to the Government ’ for the purpose of computing this surcharge. Another surcharge is imposed upon the penal water-cess. Water-cess includes three kinds of rates. The first is when it is included in the land revenue, the second is for water supplied to dry crops which is generally fixed by rules, and the third is the penal rate for unauthorized use of water. All these three kinds of rates come under the same category of water rate. I do not want, Sir, that water-cess should be further increased. The Government have fixed some water rate, and for the unauthorized use of water they are imposing a penalty of ten times the water rate. Then, why should the Government impose a surcharge on the water-cess also? It should be a surcharge on land revenue only. Land revenue includes so many cesses, but it does not include water rate. Water rate is a different

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thing. It is imposed on different principles and different categories altogether. Therefore it is that I make bold to move this recommendation. I have very great doubt whether this recommendation will be accepted by the Government. Because, the difficulty is that this recommendation will have to go again to the Assembly but the Government do not want to delay this Bill farther. But this being a question of principle and being a question in which the Government ought to take into consideration all these aspects at least in framing their rules in this aspect, I want to press strongly upon the Government this particular recommendation."

SRI MOHAMED RAZA KHAN:—"Sir, I second the amendment."

MR. CHAIRMAN:—"Amendment moved—

'In clause 2, item (c) for the words "includes", substitute the words "does not include" and for the words "but does not include", substitute the word "or".'

* DR. V. K. JOHN:—"Mr. Chairman, Sir, let me express the hope that the Hon. Minister will at least accept this so clear and so rational a recommendation made by my hon. Friend Sri Balasubramanya Ayyar."

* SRI K. BHASHYAM:—"I see the force of the arguments of the hon. Member Sri Balasubramanya Ayyar for not including water-cess in the definition of 'land revenue'. The water-cess which is included in the definition is not the penal rate for unauthorized use of water. If it includes the penal rate also, I agree with the hon. Member Sri Balasubramanya Ayyar that surcharge should not be levied on that. But, to my mind it is not so clear whether the water-cess which is included in the definition of 'land revenue' includes also the penalties imposed by the Government in respect of unauthorized use of water, because they are not water-cess under the Act but certainly something really different and which is imposed as a penalty for unauthorized use of water. I venture to think that the penal rate for taking unauthorized water is not included in the water-cess. I do not know how far it is correct, and it has to be tested in courts. But if it is included in the water-cess, I see the force of the objection raised by the hon. Member Sri Balasubramanya Ayyar. In order to avoid such an objection being raised, I would request the Government to make it a part of the rule that water-cess will include only the water-cess payable in respect of water being taken by a person in the first instance for the purpose of irrigating the land and will not include the penal rate for unauthorized use of water. If this is done, the matter will be made clear and it will not be open to objection. But as things stand at present, it looks to me that water-cess does not include the penal rate. So as not to make it arguable in Courts of law, I would request Government to make it quite clear in the rules that water-cess does not include the penal rate for using unauthorized water."

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* THE HON. SRI M. A. MANICKAVELU NAICKER :—
“ Sir, in most cases the tax is a consolidated one. Only in some cases it is separated. There is a sort of basic tax and in addition water tax is collected. I do not know, Sir, why the water-cess should be excluded. The water tax is levied because there is further availability of water and the cultivator raises an assured crop and he makes money out of it. The whole idea of this surcharge is that the tax must be raised from a man who makes money and who can afford to pay. By paying this water tax his cultivation is assured and thereby he gets an assured produce. If the water tax is consolidated in the tax itself, then there is no objection. Because for some reason or other, the water tax is not consolidated, but stands separated. I do not see any reason why it should be excluded from surcharge.

“ Another point is, why surcharge should be levied on penal water rate also? Well, Sir, the very idea of levying penal rate is that the cultivators take water, which they are not normally entitled to, thereby depriving the ayacutdars lower down. That is why they are made to pay 10 or 15 or even 20 times the normal rate as penalty for unauthorized use of water. So, if this small surcharge is a hardship on them, I welcome it as it will be a further deterrent penalty against them. Even by penal assessment we are not able to prevent unauthorised use of water, and if this surcharge on the penal rate is going to add some more difficulty, I will welcome it, Sir. I do not see any reason why I should accept the amendment.”

MR. CHAIRMAN :—“ I shall now put the amendment of the hon. Member Sri K. Balasubramanya Ayyar to the vote of the House. Before actually doing so, I would like to point out to the hon. Member Sri K. Balasubramanya Ayyar that only amendments are allowed to be moved and these amendments are sent to the other House as recommendations. The question is—

“ In clause 2, item (c), *for the word “ includes ”, substitute the words “ does not include ” and for the words “ but does not include ”, substitute the word “ or ”.* ”

The amendment was lost.

Clause 2 was put and carried.

Clause 3.

MR. CHAIRMAN :—“ The motion is—

‘ That clause 3 do stand part of the Bill.’ ”

* SRI K. BALASUBRAMANYA AYYAR :—“ Sir, I move the amendment standing in my name, namely :—

‘ In clause 3, after the words “ in the State ” occurring in line 4, insert the words “ whether in a single patta or in a joint patta.” ’ ”

The amendment was duly seconded.

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MR. CHAIRMAN :—“ Amendment moved—

‘ In clause 3, after the words “ in the State ” occurring in line 4, *insert* the words “ whether in a single patta or in a joint patta ”. ’ ”

* SRI K. BALASUBRAMANYA AYYAR :—“ This amendment is for the purpose of removing certain anomalies which were also pointed out by the hon. Member Sri K. Bhashyam. There are a large number of joint pattadars. Some of the hon. Members said that there were very few joint pattadars. That is not correct. If we see the Subramanyam Committee's report, we will find that there are equally a large number of joint pattadars in our State. As my hon. Friend Sri Gajapathy Nayagar has stated, there are even ten persons having a joint patta. If three persons hold a joint patta and the total land revenue payable on the joint patta comes to Rs. 900, each of the persons will have to pay surcharge because the total land revenue payable is Rs. 900. That is not fair at all. The Hon. Minister has stated that the Government do not want to tax the poor man and that they do not want to add to his burden. It is wrong to think that joint pattas are very few in number. There are a large number of joint pattas in our State and, therefore, what the Government are giving by one hand, they are taking away by the other. According to this Bill, only those who pay land revenue of more than Rs. 500 are liable for surcharge. My amendment is to the effect that a landlord is liable to pay surcharge if he pays a land revenue exceeding Rs. 500 in respect of lands held by him in the State whether in a single patta or in a joint patta. This will be more equitable. If A and B pay in a joint patta a land revenue of Rs. 300, B and C Rs. 300 and C and D Rs. 300, then all the three persons A, B and C, will have to pay the surcharge, whatever may be his particular portion because the total land revenue payable by them exceeds Rs. 500. That is the illustration which the Government have given in the Bill. That is the reasoning they have adopted and that is the conclusion to which they have come. But instead of that, if we say ‘ whether in a single patta or in a joint patta ’, A, B and C will all escape the surcharge, because the land revenue payable by each person will be only Rs. 300. There are some difficulties. We shall reduce the difficulties as much as possible. Government want to levy a surcharge on land revenue and we have to pay it. But let us pay it in the most equitable manner without any anomalies as far as possible. Therefore it is I make bold to move this amendment of mine.”

* SRI K. BHASHYAM :—“ Sir, the only difficulty I feel is 12-40
that unless the hon. Member gives notice of an amendment to the P.m.
Definition Clause (Clause 2), he will not be achieving the purpose
he has in view. The definition of ‘ lands held ’ is given in sub-
clause (b) of Clause 2. This should be suitably amended.
Otherwise, the hon. Member will not achieve his object in view.
Therefore it is I say that the word ‘ liable ’ in sub-clause (b) of

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Clause 2 should be changed into payable '. If this is made clear in the amendment the hon. Member has proposed, then it may be quite all right. Otherwise, the hon. Member cannot achieve the purpose he has in view."

* SRI M. P. GOVINDA MENON :—“ Sir, I support the amendment. The wording is not very clear. Suppose a person pays Rs. 300 on his single patta and joins with another and pays Rs. 300 on joint patta, both are liable for payment. Under the Malabar Land Registration Act, tenants and landlords enter into a joint patta, so that the tenant's share of the revenue may be collected from the tenant. The tenant may be paying Rs. 100 or Rs. 200, and the landlord may be paying a bigger amount. Under the provisions of this Bill, the position will be that every tenant who has been compelled to have a joint patta, registered under section 14 of the Malabar Land Registration Act, will be responsible for the payment of revenue. He may pay less than what his landlord pays. But still this tenant also will be liable to pay the whole revenue. To that extent, I support the amendment of the hon. Member. The change in the wording may be left to the Department and the Hon. Minister. I suggest, Sir, that we do adjourn now so that the Hon. Minister may have time to consider the amendment of Sri K. Balasubramanya Ayyar. The Clause has to be re-examined. I concede that the objects of the Hon. Minister must be carried out. But we must not go beyond that because of the defective wording. I support the amendment."

* THE HON. SRI M. A. MANICKAVELU NAICKER :—“ Sir, I oppose the amendment for this reason. The acceptance of this amendment will cause more confusion. It all depends upon the interpretation of the phrase. One hon. Member will interpret it in one way and another in another way. That is why we have introduced illustrations which will make the position clear. We know Shakespeare's plays and the various commentaries given by various authors. So also here I do not know whether lawyers will not give different interpretations. That is why, Sir, these illustrations have been given. I state that in the matter of calculating the amount payable, the fear that was expressed by the hon. Member Sri Bhashyam is unfounded. He said that a person who paid Rs. 300 on his single patta and had to pay only Rs. 50 in respect of lands held on joint patta with another (though the total amount on the joint patta would be Rs. 300) would be liable to pay the surcharge, because the total amount payable on his land on single patta and on the lands held on joint patta exceeded Rs. 500. Yes, he is responsible jointly and severally. We want to find out who are the assesses. We want to rope in all those who are jointly and severally responsible. But in calculating the amount we know in such cases who pays what amount. We will take only that amount which he has actually to pay under the joint patta, and add that amount to the amount payable by him in respect of lands held by him in his single patta."

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It is only in order to fix the responsibility, we have put it in that way. It is not for making collections. In actual collection, it will be worked on the basis of the actual amount that he pays. The illustrations given make the position clear."

* SRI K. BHASHYAM :—" One word of explanation, Sir. The rules proposed to be issued will remove this difficulty. But there are other objections. A person paying Rs. 499 as land revenue on a single patta is exempted whereas a man paying Rs. 300 on his single patta and paying Rs. 50 in respect of lands held by him on joint patta with another (though the assessment in respect of the joint patta is Rs. 300) is not exempted, because the total assessment for his lands and for the lands held on joint patta exceeds Rs. 500. I do not know how this defect can be set right by the issue of rules. There is this discrimination between these two persons, namely, one paying on his single patta Rs. 499 but not liable to surcharge and another paying Rs. 300 on his single patta and paying Rs. 50 in respect of lands held in joint patta with another (though the assessment on the joint patta is Rs. 300) but liable to pay the surcharge."

* SRI K. BALASUBRAMANYA AYYAR :—" Sir, the illustrations given in the Bill are as follows :—

* *Illustrations.*—(1) A is liable to pay as land revenue rupees three hundred in respect of lands held by him on a patta solely in his name. A and B are liable to pay as land revenue rupees three hundred in respect of lands held by them on a joint patta. B and C are liable to pay as land revenue rupees three hundred in respect of lands held by them on a joint patta. C is liable to pay as land revenue rupees three hundred under section 23 of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948). Each of these persons A, B and C, is liable to pay surcharge under this section.

If a man has to pay Rs. 300 on one joint patta, and another Rs. 300 on another joint patta, and a third Rs. 300 on a third joint patta, he becomes liable for the whole Rs. 900."

* SRI V. BASHYAM AYYANGAR :—" Mr. Chairman, Sir, this is a matter which requires careful examination. The illustrations given are confusing. The illustrations speak of three persons A, B and C. A is liable to pay land revenue of Rs. 300 on his individual patta. A and B have to pay land revenue to the extent of Rs. 300 on joint patta. B and C are similarly liable to pay land revenue to the extent of Rs. 300. C is liable to pay land revenue to the extent of Rs. 300. The illustrations say that all the three are liable for the surcharge. Taking A's individual patta and also his portion in the joint patta, it will be seen that he is not liable to any surcharge. It may be that his portion of the amount due on the joint patta is only Rs. 100. Even if A and B should have equal portions in their joint patta, A will have to pay only Rs. 150 in respect of his portion. This means A will have to pay land revenue to the extent of Rs. 450, and he need not pay the surcharge, because the amount is not in excess of Rs. 500. Sometimes the amount due on a joint patta will not be equal to all who hold joint pattas. Therefore this Bill will

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work a great hardship on persons holding joint pattas. There is another objection. What is the amount on which this surcharge is to be paid? A on his individual patta pays Rs. 300 as land revenue. On a joint patta, he is liable for another Rs. 300. If he pays a total of Rs. 600, then there will be overlapping of this tax. The tax will be much more. That is the possibility which arises out of this illustration. I think this is a matter which deserves careful consideration. It should be examined how this provision will work in actual practice.

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"I think the illustration makes the whole matter confusing. If the idea is that a surcharge should be levied on a revenue liability of over Rs. 500 then the liability should be found out and assessed by somebody. That we can understand. But the illustration makes joint pattadars liable to pay surcharge even where only one of them may be liable to pay. Therefore, I really submit that this is a matter on which some attention must be bestowed."

* DR. V. K. JOHN :—" May I know from the Hon. Minister whether this illustration has been given deliberately with a view to confusing people so that Government may collect more revenue from them? "

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, I am sorry I have to meet the arguments of such eminent lawyers. It is a well-known principle in law in matters of joint and several liability. Let me give an illustration. There is a promissory note executed by A, B and C for Rs. 500. The three persons jointly and severally are liable for the amount. I do not think there can be any instance in which the hon. Member Sri Bhashyam Ayyangar as District Judge would have awarded a decree which allowed for the collection of the amount from all the three. The amount is collected only from one man, though there is joint liability on all the three. It cannot be collected from all the three. This is a clear principle of law. That being so, I do not know why hon. Members create so much confusion about it."

MR. CHAIRMAN :—" The question is—

'In clause 3, after the words "in the State" occurring in line 4, insert the words "whether in a single patta or in a joint patta".'

The amendment was declared lost.

Sri K. Balasubramanya Ayyar demanded a poll and the House divided thus :

Ayes—9.

Sri K. Balasubramanya Ayyar.
" K. Bashyam.
" V. Bashyam Ayyangar.
" M. P. Govinda Menon.
Dr. V. K. John.

Sri G. Krishnamurthi.
" Mohamed Raza Khan.
" T. M. Narayanaswamy Pillai.
" V. V. Ramaswami.

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Noes—17.

Sri A. M. Allapichai.
„ N. Annamalai Pillai.
The Hon. Sri M. Bhaktavatsalam.
Sri T. M. Deivasikamani Achariar.
„ M. Ethirajulu.
„ A. Gajapathi Nayagar.
„ K. Gopalan.
„ T. G. Krishnamurthy.
Srimathi S. Manjubhashini.

Sri Mohamed Usman.
„ S. Narsapaya.
„ E. H. Parameswaran.
„ C. Perumalswami Reddi.
Srimathi R. S. Subbulakshmi Ammal.
Sri A. Subramaniam.
„ P. P. Ummer Koya.
„ G. Venkatachalam.

Neutrals—3.

Sri T. V. Devaraja Mudaliar.
„ T. Purushotham.

Sri O. P. Ramaswami Reddiar.

Ayes—9; Noes—17; Neutral—3.

The amendment was lost.

MR. CHAIRMAN :—“ Is the hon. Member Sri K. Balasubramanya Ayyar moving his second amendment? ”

* K. BALASUBRAMANYA AYYAR :—“ Yes, Sir. I formally move my amendment, namely :—

‘ In clause 3, item (d), for the word “ Eight ”, substitute the word “ six ”. ’ ”

The amendment was duly seconded.

MR. CHAIRMAN :—“ Amendment moved—

‘ In clause 3, item (d), for the word “ Eight ”, substitute the word “ six ”. ’ ”

THE HON. SRI M. A. MANICKAVELU NAICKER :—“ I formally oppose it, Sir.”

* SRI G. KRISHNAMURTHI :—“ Sir, I should like to have enlightenment from the Hon. Minister piloting the Bill as to the rates specified in the Bill. In clause 3 it is stated that ‘ Every landholder who is liable to pay a sum exceeding rupees five hundred for a fasli as land revenue to the Government in respect of lands held by him in the State shall pay to Government . . . ’ The term used here is ‘ exceeding Rs. 500. ’ Subsequently in the table where the rates are given it is stated under item (b) ‘ on the next Rs. 250 of the land revenue payable—two annas on each rupee. ’ It is not clear whether a person paying an assessment of Rs. 500 is liable to pay this surcharge or whether persons paying an assessment exceeding Rs. 500 are liable to pay this surcharge. I want enlightenment on this point. According to the statement contained in the first paragraph of clause 3, only those paying an assessment in excess of Rs. 500 are liable to pay this surcharge. But according to the subsequent paragraph where rates are given, a person who pays Rs. 500 as assessment is liable to pay surcharge.”

* THE HON. SRI M. A. MANICKAVELU NAICKER :—“ It is intended to make it clear that a person who is liable to pay surcharge under this Bill will have to pay the surcharge on the second Rs. 250 upwards paid as land revenue.”

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* SRI G. KRISHNAMURTHI :—“ I would like to know, Sir, whether a person who pays only Rs. 251 as land revenue is liable to surcharge under this Bill.”

* SRI K. BHASHYAM :—“ Sir, every person who is liable to pay a sum exceeding Rs. 500 for a fasli as land revenue is liable to pay this surcharge. But, in regard to the rate at which the surcharge is payable, he is exempted in regard to the first Rs. 250 and what is the rate at which he is liable to pay in regard to the balance is fixed here. So there need not be any confusion.”

* SRI G. KRISHNAMURTHI :—“ Sir, I would like to be enlightened as to whether a person paying Rs. 501 as land revenue is liable to pay surcharge only in respect of Rs. 251 out of this Rs. 501.”

SRI K. BHASHYAM :—“ Yes, it is so.”

MR. CHAIRMAN :—“ The question is—

‘ In clause 3, item (d), for the word “ Eight ”, substitute the word “ Six ”.’ ”

The amendment was lost.

Clause 3 was put and carried.

Clause 4 was put and carried.

Clause 5.

MR. CHAIRMAN :—“ The motion is—

‘ That clause 5 do stand part of the Bill.’ ”

* SRI K. BHASHYAM :—“ Mr. Chairman, Sir, I wish to say a word in respect of the power vested in the officer concerned to call for information. Information is to be given, as mentioned at the close of sub-clause (1), in regard to the total extent of land held by the landholder in the State and the land revenue payable in respect thereof. I want to point out that the emphasis is on the word ‘ payable ’. In the case of a joint patta, do the words ‘ land revenue payable ’ mean the full amount of the joint patta? If the amount payable is taken to mean the land revenue as allocated between the joint pattadars, it becomes a different matter. I would like the Hon. the Minister for Land Revenue to give us information as to what he expects us to do. Suppose in a joint patta on which the land revenue payable is Rs. 300, one of the joint pattadars is liable to pay only Rs. 15. If he is liable to pay surcharge under this Bill, is he to be assessed on the basis of this Rs. 15 or on the basis of Rs. 300 the full assessment of the joint patta, though in the definition section, namely, sub-clause (b) of Clause (2), it is said that the expression ‘ land held ’ refers to the lands in respect of which a landholder is liable to pay land revenue? There is some inconsistency therefore in respect of a joint pattadar

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whether he is liable to surcharge in respect of all the lands held on the joint patta as a whole or only in respect of the portion of the land revenue payable by him."

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Sir, I believe that the liability to pay surcharge will be based on the amounts as actually allotted between the joint pattadars. We will make it quite clear in the rules."

Clause 5 was put and carried.

Clauses 6 and 7 were put and carried.

Clause 1 and the Preamble were put and carried.

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Mr. Chairman, Sir, I beg to move—

' That the Madras Land Revenue (Surcharge) Bill, 1954 (L.A. Bill No. 18 of 1954), as passed by the Assembly, be passed '."

MR. CHAIRMAN :—" The question is—

' That the Madras Land Revenue (Surcharge) Bill, 1954 (L.A. Bill No. 18 of 1954), as passed by the Assembly, be passed '."

The motion was carried and the Bill was passed.

(2) THE MADRAS GENERAL SALES TAX (DEFINITION OF TURNOVER AND VALIDATION OR ASSESSMENTS) BILL, 1954 (L.A. BILL NO. 19 OF 1954).

* THE HON. SRI M. A. MANICKAVELU NAICKER :—" Mr. Chairman, Sir, I beg to move—

' That the Madras General Sales Tax (Definition of Turnover and Validation of Assessments) Bill, 1954 (L.A. Bill No. 19 of 1954) as passed by the Assembly be taken into consideration.'

" This Bill is in the nature of a validating Bill, as a result of the judgment of the High Court which held that in the calculation of turnover the amounts collected by a merchant as tax under the General Sales Tax Act should not be included as it amounted to a tax on tax. We have given effect to this judgment from the 1st April of this year but with regard to past transactions we have brought in this validating measure, because, however much we may try to give effect to the judgment, it will be administratively very difficult. We would have to refund the excess amounts already collected to the assessee some of whom might have died whilst others might have even left the country. All such difficulties will arise. Also, I will give another instance which has come to my